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Greek Dealer's Arms Intrigues Girdled Globe

The case of Greek munitions merchant Basil Tsakos gets curi-
ouser and curiouser.

He spun a web that caught many prominent Washington figures, including Sen. Mark O. Hatfield (R-Ore.), in its gossamer-like strands. He sought their support for a pipeline scheme by spreading money around generously in Washington. The evidence suggests that he was simply using the influence-buying technique he had perfected in arms deals abroad.

For example, sources in the United States and West Germany told my associate Corky Johnson that Tsakos tried in 1981 to cut in on the sale of 100 Leopard tanks to Greece by the West German firm of Krauss-Maffei, claiming that he was owed a \$10 million commission. When Krauss-Maffei refused to pay, Tsakos sued.

According to knowledgeable sources, Tsakos offered a cool million dollars to former Greek defense minister Evancelos Averoff if he would testify that Tsakos had arranged the tank sale. Tsakos also told an associate that he had given \$25,000 to New Democracy, the opposition party Averoff heads.

Averoff reportedly refused to cooperate with Tsakos and became angry when the arms dealer persisted. Averoff told my associate that he knew nothing of any contribution from Tsakos.

But the sources said retired Greek Gen. Demetrios Lambridis did take money from Tsakos for signing a court statement that said Tsakos had participated in the tank sale. Tsakos reportedly paid Lambridis an initial \$20,000 from a Swiss bank account, and promised more. Lambridis denied getting any money from Tsakos.

When Tsakos came to this country in 1980, he hooked up with an entrepreneur named Frank Rosenbaum. They were introduced by an ex-congressman and ex-convict, Cornelius Gallagher (D-N.J.), who had figured in the scandal of an earlier influence-buyer, Tongsun Park.

The biggest deal Tsakos and Rosenbaum put together involved \$1 billion worth of old Soviet-made weapons to be purchased from Egypt and sold to Iraq. Using an introduction from a Rockwell International employe, Al Grasselli, they persuaded Egyptian Defense Ministry officials to agree to the sale.

Grasselli, who got a free trip to a ski resort in Gstaad, Switzerland, out of Tsakos, said he broke off contact with the arms merchant after learning of his shady dealings. But his employer, Rockwell, did business with Tsakos.

Court records show that Rosenbaum arranged a meeting for Tsakos in Paris with representatives of Rockwell and a French firm to discuss the sale of security surveillance equipment to Saudi Arabia. Tom Campobasso of Rockwell attended the meeting; he later became a member of the board of Tsakos' trans-African pipeline company.

Even after being shown a report on Tsakos' criminal record by a Rockwell associate who was an ex-CIA agent, Campobasso arranged to have Tsakos represent Rockwell in the sale of aircraft and missile parts to Morocco, Tunisia and Abu Dhabi.

Campobasso did not return several calls for comment.

Late last year, Tsakos contacted General Dynamics seeking a contract to sell new tanks to Greece. He then planned to sell Greece's old tanks to Lebanon. But sources said the deal fell through when General Dynamics learned of Tsakos' alleged bribery attempts in Athens.

Despite the bulging file of evidence about Tsakos' dubious background and business methods, he was able to gain support for his ambitious pipeline scheme from some influential people in Washington, notably Hatfield.

Footnote: Because of a typographical error, a recent column reported that Tsakos had given an associate \$25,000 to buy influence in Washington. The correct amount was \$250,000.